SENATE BILL No. 233

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-2.5-5-38.2.

Synopsis: Sales tax treatment of car purchase discounts. Provides that a rebate or employee discount on the sale of a motor vehicle is not part of the gross retail income received by the seller when determining the sales and use tax amount.

Effective: July 1, 2009.

Buck

January 7, 2009, read first time and referred to Committee on Tax and Fiscal Policy.



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First Regular Session 116th General Assembly (2009)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in this style type, and deletions will appear in this style type.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

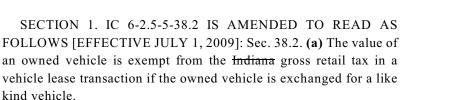
Conflict reconciliation: Text in a statute in *this style type* or *this style type* reconciles conflicts between statutes enacted by the 2008 Regular Session of the General Assembly.

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SENATE BILL No. 233

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:



- (b) The value of a third party's payment or credit, including an employee discount, on the sale or lease of a motor vehicle is exempt from the gross retail tax if the customer's purchase agreement shows:
 - (1) the payment or credit is directly related to a price reduction or discount on the sale or lease;
 - (2) the seller has an obligation to pass the price reduction or discount through to the purchaser;
 - (3) the amount of the price reduction or discount is fixed and determinable by the seller at the time of the sale or lease to the purchaser; and
 - (4) the price reduction or discount is identified as a third



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